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APPROVED MINUTES COMMISSION SPECIAL JOINT MEETING MAY 26, 2015

The Port of Seattle Commission met in a special joint meeting with the Port of Tacoma Commission Tuesday, May 26, 2015, in the International Auditorium at Seattle-Tacoma International Airport, Seattle, Washington. Port of Seattle Commissioners Albro, Bowman, Bryant, and Creighton were present. Commissioner Gregoire participated by telephone. Port of Tacoma Commissioners Bacon, Johnson, Marzano, Meyer, and Petrich were also present.

CALL TO ORDER

The meeting was called to order at 10:05 a.m. by Port of Seattle Commission Co-President Stephanie Bowman, who led the Flag Salute.

DUE DILIGENCE PROCESS STATUS

The Commissions received a presentation on the status of due diligence efforts, which are on target for an August approval by the managing members. Public meetings with stakeholders were noted.

PUBLIC ENGAGEMENT AND FEEDBACK

The Commissions received a presentation on the public comment and engagement process. The various audiences and their general response to alliance formation were summarized. It was reported that several letters have been received from industry and governmental groups. Comments submitted electronically were noted and discussion themes from outreach events were said to have included the following:

- How non-container properties will be managed, given some are not included as Alliance assets
- Concerns about traffic congestion at terminals given projected increases in utilization rates
- Relationship of increasing cargo turns and long truck queues
- Opinions on selected performance metrics
- How revenue sharing will work
- Creation of a third agency and increasing demands on Commissioners
- Commitment of the Alliance to addressing air quality issues
- Reliance on passage of a state transportation package
- Last-mile transportation investment
- Location of Alliance offices and coordination of staff
- Educating state legislators on port competitiveness and transportation issues
- Continued attention on Harbor Maintenance Tax reform
- Expansion of gate opportunities to increase cargo throughput at terminals and accommodate surge capacity
- How the Alliance will bring local labor groups together and attract business
- Whether the Port of Everett would be included in the Alliance

- Accommodating larger ships at both ports
- Prospects for Shell's oil exploration vessel to move from the Port of Seattle to the Port of Tacoma
- Whether customer locations would change
- The Airport's relationship to the Alliance
- Alliance business goals
- Selection of John Wolfe as the Alliance CEO
- Sequencing of terminal investments at the two ports
- Whether there is a precedent of success for this kind of alliance
- Whether inclusion of some lines of business by the Port of Seattle would have promoted growth in these lines at the Port of Tacoma
- The Alliance's impact on bond ratings
- Perceptions that the Port of Seattle is less invested in maritime cargo than the Port of Tacoma
- Reconciliation of Alliance cost savings with huge infrastructure investment needs

Commissioners encouraged publishing answers to the many questions raised for public and commissioner consideration. Commissioners noted the relevance of the various comments to the issues already under consideration by the two commissions. Commissioners acknowledged that many of the details in answer to the issues raised are still being worked out and may take time to respond to. Commissioners urged public review of the materials available so far on Alliance formation. The length of the agreement at 20 years was noted as a concern of some stakeholders.

NEXT STEPS

It was reported that the next meeting dealing with Alliance formation will be held June 5 in Auburn. At that time the commissioners will vote on the Discussion Agreement as it will be forwarded to the Federal Maritime Commission for further comment and review. The documents comprising the package to be forwarded to the FMC were listed. It was explained that the FMC may return to the commissions with additional comments or questions following their 45-day review period. In July or August, the two commissions will act on formation of the Seaport Alliance and hiring of a CEO.

PUBLIC COMMENT

Public comment was received from the following individual(s):

- Mark Hennon, candidate for Port of Seattle Commission, Position 5, in opposition to federally permitted private meetings of the port commissions regarding formation of the Seaport Alliance.

ADJOURNMENT

There was no further business, and the meeting adjourned at 10:31 a.m.

Stephanie Bowman
Secretary

Minutes approved: January 12, 2016.